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**NATIONAL COMMODITY & DERIVATIVES EXCHANGE LIMITED**

Circular to all trading and clearing members of the Exchange

Circular No. : NCDEX/TRADING-073/2011/210  
Date : July 8, 2011  
Subject : Modification in contract specification of Sugar M (SUGARM200) and  
Sugar S (SUGARS150) contracts

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Trading and Clearing Members are requested to note that the Exchange, with the approval of the Forward Markets Commission has made changes in the Sugar M (SUGARM200) and Sugar S (SUGARS150) contracts which will be applicable from July 11, 2011 for all contracts expiring in **October 2011 and thereafter**.

Currently, contracts expiring in July 2011, August 2011 and September 2011 are available for trading and will continue to be traded with the existing contract specifications.

Summary of modifications in contract specifications applicable for contracts expiring in October 2011 and thereafter is given in Annexure 1. Existing contract specifications for contracts expiring in July 2011, August 2011 and September 2011 are given in Annexure II. Modified contract specifications applicable for contracts expiring in October 2011 and thereafter are given in Annexure III. The Premium/Discount for Contract expiring in October 2011 is given in Annexure IV.

The contracts and the transactions therein will be subject to Rules, Bye Laws and Regulations of the Exchange and directives issued from time to time by the Forward Markets Commission.

For and on behalf of  
**National Commodity & Derivatives Exchange Limited**

Ramesh Iyer  
Vice President - Business

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For further information / clarifications, please contact

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**ANNEXURE I: Summary of modifications in Contract specifications**

<b>Contract Specification</b>	<b>Existing Specification</b>	<b>Modified Specification</b>
<b>Additional Delivery Centers</b>	Ahmedabad, Belgaum, Chennai, Delhi, Erode, Gorakhpur, Indore, Jaipur, Kanpur, Kolkata, Muzaffarnagar, Pune, Sitapur, Vijaywada and Vizag (Upto 50 Kms of City Limits) No location premium and discount shall be applicable.	Belgaum, Delhi, Kolkata, Pune, Sangli and Solapur (Within a radius of 50 Km from municipal limits) Location Premium/ Discount as notified by the Exchange from time to time

**ANNEXURE II: Existing Contract Specification of Sugar M (Applicable for contracts expiring in July 2011, August 2011 and September 2011)**

<b>Type of Contract</b>	Futures Contract	
<b>Name of commodity</b>	Sugar (M Grade)	
<b>Ticker Symbol</b>	SUGARM200	
<b>Trading System</b>	NCDEX Trading System	
<b>Basis</b>	Ex-warehouse Kolhapur inclusive of all taxes	
<b>Unit of Trading</b>	10 MT	
<b>Delivery Unit</b>	10 MT net basis packed in 50 Kgs new A Twill Bags/PP bags Also deliverable in 100 Kg new A Twill jute bags	
<b>Quotation/Base Value</b>	Rs/quintal	
<b>Tick Size</b>	Re 1	
<b>Quality Specification</b>	Sugar in crystal form manufactured by vacuum pan method with:	
	Moisture	0.08% Max
	Polarisation	99.80% Min
	ICUMSA	> or = 150 ICUMSA and < 200 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book
	Grade	M
	Grain Size	Medium as determined by the methods prescribed in IS:498-2003
	Crop Year Reference	<b>Till December expiry contract:</b> Production of the last crushing season is allowed in addition to current crop. <b>From January expiry contract:</b> Production of only current crushing season is allowed.
<b>Quantity Variation</b>	+/- 5%	
<b>Delivery Center</b>	Kolhapur (up to 50 km from city limits)	
<b>Additional delivery centers</b>	Ahmedabad, Belgaum, Chennai, Delhi, Erode, Gorakhpur, Indore, Jaipur, Kanpur, Kolkata, Muzaffarnagar, Pune, Sitapur Vijaywada, and Vizag (Upto 50Kms of City limits)	

	No location premium and discount shall be applicable.												
<b>Hours of Trading</b>	As per directions of the Forward Markets Commission from time to time, currently- Mondays through Fridays: 10:00 AM to 5:00 PM Saturdays: 10.00 AM to 2.00 PM The Exchange may vary the above timing with due Notice												
<b>Due Date/Expiry Date</b>	20 <sup>th</sup> day of the delivery month If 20th happens to be a non-trading day, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange												
<b>Delivery Specification</b>	Compulsory delivery: Upon expiry of the contracts, all open positions will be settled by taking or giving delivery as the case may be. The penalty structure for failure to meet delivery obligations will be as per circular no. NCDEX/TRADING-086/2008/216 dated September 16, 2008.												
<b>Also Deliverable</b>	<p>Sugar S of the following Specification:</p> <table border="1"> <tr> <td>Moisture</td> <td>0.08%Max</td> </tr> <tr> <td>Polarisation</td> <td>99.80% Min</td> </tr> <tr> <td>ICUMSA</td> <td>&gt; or = 100 ICUMSA and &lt; 150 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book</td> </tr> <tr> <td>Grade</td> <td>S</td> </tr> <tr> <td>Grain Size</td> <td>Small as determined by the methods prescribed in IS:498-2003</td> </tr> <tr> <td>Crop Year Reference</td> <td> <p><b>Till December expiry contract:</b> Production of the last crushing season is allowed in addition to current crop</p> <p><b>From January expiry contract:</b> Production of only current crushing season is allowed.</p> </td> </tr> </table> <p>The premium/discount would be announced before the launch of the contracts.</p>	Moisture	0.08%Max	Polarisation	99.80% Min	ICUMSA	> or = 100 ICUMSA and < 150 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book	Grade	S	Grain Size	Small as determined by the methods prescribed in IS:498-2003	Crop Year Reference	<p><b>Till December expiry contract:</b> Production of the last crushing season is allowed in addition to current crop</p> <p><b>From January expiry contract:</b> Production of only current crushing season is allowed.</p>
Moisture	0.08%Max												
Polarisation	99.80% Min												
ICUMSA	> or = 100 ICUMSA and < 150 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book												
Grade	S												
Grain Size	Small as determined by the methods prescribed in IS:498-2003												
Crop Year Reference	<p><b>Till December expiry contract:</b> Production of the last crushing season is allowed in addition to current crop</p> <p><b>From January expiry contract:</b> Production of only current crushing season is allowed.</p>												
<b>Closing of Contract</b>	Upon Expiry of the contract all outstanding open position would result in compulsory delivery												

<b>Final settlement price</b>	<p>The Final Settlement Price (FSP) shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days viz., E0 (expiry day), E-1 and E-2. In the event of the spot prices for any one of the E-1 and E-2 is not available, the spot price of E-3 would be used for arriving at the average. In case the spot prices are not available for both E-1 and E-2, then the average of E0 and E-3 (two days) would be taken. If all the three days' prices viz., E-1, E-2 and E-3 are not available, then only one day's price viz., E0 will be taken as the FSP.</p>
<b>Opening of Contracts</b>	<p>Trading in new contract will open on the 10th day of the month in which near month contract is due to expire. If the 10th day happens to be a non-trading day, contracts would open on the next trading day</p>
<b>No. of active contracts</b>	<p>As per Launch Calendar</p>
<b>Price Band</b>	<p>Daily price fluctuation limit is (+/-) 3%. If the trade hits the prescribed daily price limit there will be a cooling off period for 15 minutes. Trade will be allowed during this cooling off period within the price band. Thereafter the price band would be raised by another (+/-) 1% and trade will be resumed. If the price hits the revised price band (+/-) 4% again during the day, trade will only be allowed within the revised price band. No trade/order shall be permitted during the day beyond the revised limit of (+/-)4%</p>
<b>Position Limits</b>	<p>Limit for aggregate contracts traded on all the Exchanges – applicable for all the contracts together for Grade-M and Grade-S both including position in expiry month:  Client-wise: 20,000 MT  Member-wise: 1,00,000 MT OR 15% of the market wide open interest, whichever is higher  The above limits will not apply to bona fide hedgers. For bona fide hedgers, the Exchange will, on a case to case basis, decide the hedge limits. Please refer to Circular No. NCDEX/TRADING-100/2005/219 dated October 20, 2005.</p>

	<b>Near Month Limits</b> The following limits would be applicable for one month prior to the expiry of a contract Client-wise: 8,000 MT Member-wise: 40,000 MT or 15% of the market-wide open interest, whichever is higher
<b>Special Margin</b>	Special margin of 10% of the value of the contract, Whenever the rise and fall in price exceeds 20% from the first day's closing price, is payable by buyer or seller, depending upon whether price rise or fall as the case may be. The margin shall stay in force so long as price stays beyond 20% limit and will be withdrawn as soon as the price is within 20% band
<b>Premium/Discount</b>	S grade sugar with ICUMSA less than 100 could be accepted as good delivery but with no premium. Sugar S with ICUMSA more than 150 shall be rejected. M grade sugar with ICUMSA 100 - 150 could be accepted as good delivery but with no premium. Sugar with ICUMSA more than 200 shall be rejected.
<b>Maximum Order Size</b>	500 MT

**Tolerance Limit for outbound deliveries: Sugar-M grade**

<b>Commodity Specifications</b>	<b>Basis</b>	<b>Acceptable quality range as per contract specification</b>	<b>Permissible Tolerance</b>
Moisture	0.08% Max	-	-
Polarisation	99.80% Min	-	-
ICUMSA	> or = 150 ICUMSA and < 200 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book	Sugar with ICUMSA between 100 and 150 also accepted as good delivery	+/- 25 ICUMSA
Grade	M	-	-

Grain Size	Medium as determined by the methods prescribed in IS:498-2003	-	-
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### Tolerance Limit for Sugar-S

Commodity Specifications	Basis	Acceptable quality range as per contract specification	Permissible Tolerance
Moisture	0.08% Max	-	-
Polarisation	99.80% Min	-	-
ICUMSA	> or = 100 ICUMSA and < 150 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book	Sugar with ICUMSA less than 100 is acceptable as good delivery	+/- 25 ICUMSA
Grade	S	-	-
Grain Size	Small as determined by the methods prescribed in IS:498-2003	-	-

**Note:** Tolerance limit is applicable only for outbound deliveries. Variation in quality parameters within the prescribed tolerance limit as above will be treated as good delivery when members/clients lift the materials from warehouse. These permissible variations shall be based on the parameters found as per the immediate preceding test certificate given by NCDEX approved assayer.

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**Contract Launch Calendar Sugar M**

<b>Contract Launch Month</b>	<b>Contract Expiry Month</b>
April 20, 2011	July 2011
May 2011	August 2011
June 2011	September 2011



**Existing Contract specification of Sugar – S futures contract (Applicable for contracts expiring in July 2011, August 2011 and September 2011)**

<b>Type of Contract</b>	Futures Contract	
<b>Name of commodity</b>	Sugar (S Grade)	
<b>Ticker Symbol</b>	SUGARS150	
<b>Trading System</b>	NCDEX Trading System	
<b>Basis</b>	Ex-warehouse Kolhapur inclusive of all taxes	
<b>Unit of Trading</b>	10 MT	
<b>Delivery Unit</b>	10 MT net basis packed in 50 Kgs new A Twill Bags/PP bags Also deliverable in 100 Kg new A Twill jute bags	
<b>Quotation/Base Value</b>	Rs/quintal	
<b>Tick Size</b>	Re 1	
<b>Quality Specification</b>	Sugar in crystal form manufactured by vacuum pan method with:	
	Moisture	0.08%Max
	Polarisation	99.80% Min
	ICUMSA	> or = 100 ICUMSA and < 150 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book
	Grade	S
	Grain Size	Small as determined by the methods prescribed in IS:498-2003
	Crop Year Reference	<b>Till December expiry contract:</b> Production of the last crushing season is allowed in addition to current crop <b>From January expiry contract:</b> Production of only current crushing season is allowed.
<b>Quantity Variation</b>	+/- 5%	
<b>Delivery Center</b>	Kolhapur (up to 50 km from city limits)	
<b>Additional delivery centers</b>	Ahmedabad, Belgaum, Chennai, Delhi, Erode, Gorakhpur, Indore, Jaipur, Kanpur, Kolkata, Muzaffarnagar, Pune, Sitapur, Vijaywada, and Vizag (Up to 50Kms of City limits)	

	No location premium and discount shall be applicable.
<b>Hours of Trading</b>	As per directions of the Forward Markets Commission from time to time, currently- Mondays through Fridays: 10:00 AM to 5:00 PM  Saturdays: 10.00 AM to 2.00 PM The Exchange may vary the above timing with due Notice
<b>Due Date/Expiry Date</b>	20 <sup>th</sup> day of the delivery month  If 20 <sup>th</sup> happens to be a non-trading day, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange
<b>Delivery Specification</b>	Compulsory delivery: Upon expiry of the contracts, all open positions will be settled by taking or giving delivery as the case may be.
<b>Closing of Contract</b>	Upon Expiry of the contract all the outstanding open positions would result in compulsory delivery. The penalty structure for failure to meet delivery obligations will be as per circular no. NCDEX/TRADING-086/2008/216 dated September 16, 2008.
<b>Final settlement price</b>	The Final Settlement Price (FSP) shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days viz., E0 (expiry day), E-1 and E-2. In the event of the spot prices for any one of the E-1 and E-2 is not available, the spot price of E-3 would be used for arriving at the average. In case the spot prices are not available for both E-1 and E-2, then the average of E0 and E-3 (two days) would be taken. If all the three days' prices viz., E-1, E-2 and E-3 are not available, then only one day's price viz., E0 will be taken as the FSP.
<b>Opening of Contracts</b>	Trading in new contract will open on the 10 <sup>th</sup> day of the month in which near month contract is due to expire. If the 10 <sup>th</sup> day happens to be a non-trading day, contracts would open on the next trading day
<b>No. of active contracts</b>	As per Launch Calendar
<b>Price Band</b>	Daily price fluctuation limit is (+/-) 3%. If the trade hits the prescribed daily price limit there will be a cooling off period for 15 minutes. Trade will be allowed during this cooling off period within the price band.

	Thereafter the price band would be raised by another (+/-) 1% and trade will be resumed. If the price hits the revised price band (+/-) 4% again during the day, trade will only be allowed within the revised price band. No trade/order shall be permitted during the day beyond the revised limit of (+/-)4%
<b>Position Limits</b>	<p>Limit for aggregate contracts traded on all the Exchanges – applicable for all the contracts together for Grade-M and Grade-S both including position in expiry month:</p> <p>Client-wise: 20,000 MT Member-wise: 1,00,000 MT OR 15% of the market wide open interest, whichever is higher</p> <p>The above limits will not apply to bona fide hedgers. For bona fide hedgers, the Exchange will, on a case to case basis, decide the hedge limits. Please refer to Circular No. NCDEX/TRADING-100/2005/219 dated October 20, 2005.</p> <p><b>Near Month Limits</b></p> <p>The following limits would be applicable for one month prior to the expiry of a contract</p> <p>Client-wise: 8000 MT Member-wise: 40,000 MT or 15% of the market-wide open interest, whichever is higher</p>
<b>Special Margin</b>	Special margin of 10% of the value of the contract, Whenever the rise and fall in price exceeds 20% from the first day's closing price, is payable by buyer or seller, depending upon whether price rises or falls as the case may be. The margin shall stay in force so long as price stays beyond 20% limit and will be withdrawn as soon as the price is within 20% band.
<b>Premium/Discount</b>	<p>S grade sugar with ICUMSA less than 100 is also accepted as good delivery but with no premium.</p> <p>Sugar with ICUMSA more than 150 shall be rejected.</p>
<b>Maximum Order Size</b>	500 MT

**Tolerance Limit for Sugar-S**

<b>Commodity Specifications</b>	<b>Basis</b>	<b>Acceptable quality range as per contract specification</b>	<b>Permissible Tolerance</b>
Moisture	0.08% Max	-	-
Polarisation	99.80% Min	-	-
ICUMSA	> or = 100 ICUMSA and < 150 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book	Sugar with ICUMSA less than 100 is acceptable as good delivery	+/- 25 ICUMSA
Grade	S	-	-
Grain Size	Small as determined by the methods prescribed in IS:498-2003	-	-

**Note:** Tolerance limit is applicable only for outbound deliveries. Variation in quality parameters within the prescribed tolerance limit as above will be treated as good delivery when members/clients lift the materials from warehouse. These permissible variations shall be based on the parameters found as per the immediate preceding test certificate given by NCDEX approved assayer.

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**Contract Launch Calendar Sugar S**

<b>Contract Launch Month</b>	<b>Contract Expiry Month</b>
April 20, 2011	July 2011
May 2011	August 2011
June 2011	September 2011

**ANNEXURE III**
**Modified Contract specification of Sugar – M futures contract (Applicable for contracts expiring in October 2011 and thereafter)**

<b>Type of Contract</b>	Futures Contract	
<b>Name of commodity</b>	Sugar (M Grade)	
<b>Ticker Symbol</b>	SUGARM200	
<b>Trading System</b>	NCDEX Trading System	
<b>Basis</b>	Ex-warehouse Kolhapur inclusive of all taxes	
<b>Unit of Trading</b>	10 MT	
<b>Delivery Unit</b>	10 MT net basis packed in 50 Kgs new A Twill Bags/PP bags Also deliverable in 100 Kg new A Twill jute bags	
<b>Quotation/Base Value</b>	Rs/quintal	
<b>Tick Size</b>	Re 1	
<b>Quality Specification</b>	Sugar in crystal form manufactured by vacuum pan method with:	
	Moisture	0.08% Max
	Polarisation	99.80% Min
	ICUMSA	> or = 150 ICUMSA and < 200 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book
	Grade	M
	Grain Size	Medium as determined by the methods prescribed in IS:498-2003
	Crop Year Reference	Till December expiry contract: Production of the last crushing season is allowed in addition to current crop. From January expiry contract: Production of only current crushing season is allowed.
<b>Quantity Variation</b>	+/- 5%	
<b>Delivery Center</b>	Kolhapur (up to 50 km from city limits)	
<b>Additional delivery centers</b>	<b>Belgaum, Delhi, Kolkata, Pune, Sangli and Solapur (Within a radius of 50 km from municipal limits) Location Premium/Discount as notified by the Exchange from time to time</b>	

<b>Hours of Trading</b>	<p>As per directions of the Forward Markets Commission from time to time, currently-</p> <p>Mondays through Fridays: 10:00 AM to 5:00 PM</p> <p>Saturdays: 10.00 AM to 2.00 PM</p> <p>The Exchange may vary the above timing with due Notice</p>												
<b>Due Date/Expiry Date</b>	<p>20<sup>th</sup> day of the delivery month</p> <p>If 20th happens to be a non -trading day, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange</p>												
<b>Delivery Specification</b>	<p>Compulsory delivery: Upon expiry of the contracts, all open positions will be settled by taking or giving delivery as the case may be.</p> <p>The penalty structure for failure to meet delivery obligations will be as per circular no. NCDEX/TRADING-086/2008/216 dated September 16, 2008.</p>												
<b>Also Deliverable</b>	<p>Sugar S of the following Specification:</p> <table border="1" data-bbox="626 957 1382 1587"> <tr> <td>Moisture</td> <td>0.08%Max</td> </tr> <tr> <td>Polarisation</td> <td>99.80% Min</td> </tr> <tr> <td>ICUMSA</td> <td>&gt; or = 100 ICUMSA and &lt; 150 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book</td> </tr> <tr> <td>Grade</td> <td>S</td> </tr> <tr> <td>Grain Size</td> <td>Small as determined by the methods prescribed in IS:498-2003</td> </tr> <tr> <td>Crop Reference</td> <td>Year Till December expiry contract: Production of the last crushing season is allowed in addition to current crop From January expiry contract: Production of only current crushing season is allowed.</td> </tr> </table> <p>The premium/discount would be announced before the launch of the contracts.</p>	Moisture	0.08%Max	Polarisation	99.80% Min	ICUMSA	> or = 100 ICUMSA and < 150 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book	Grade	S	Grain Size	Small as determined by the methods prescribed in IS:498-2003	Crop Reference	Year Till December expiry contract: Production of the last crushing season is allowed in addition to current crop From January expiry contract: Production of only current crushing season is allowed.
Moisture	0.08%Max												
Polarisation	99.80% Min												
ICUMSA	> or = 100 ICUMSA and < 150 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book												
Grade	S												
Grain Size	Small as determined by the methods prescribed in IS:498-2003												
Crop Reference	Year Till December expiry contract: Production of the last crushing season is allowed in addition to current crop From January expiry contract: Production of only current crushing season is allowed.												
<b>Closing of Contract</b>	<p>Upon Expiry of the contract all outstanding open position would result in compulsory delivery</p>												

<b>Final settlement price</b>	<p>The Final Settlement Price (FSP) shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days viz., E0 (expiry day), E-1 and E-2. In the event of the spot prices for any one of the E-1 and E-2 is not available, the spot price of E-3 would be used for arriving at the average. In case the spot prices are not available for both E-1 and E-2, then the average of E0 and E-3 (two days) would be taken. If all the three days' prices viz., E-1, E-2 and E-3 are not available, then only one day's price viz., E0 will be taken as the FSP.</p>
<b>Opening of Contracts</b>	<p>Trading in new contract will open on the 10th day of the month in which near month contract is due to expire. If the 10th day happens to be a non-trading day, contracts would open on the next trading day</p>
<b>No. of active contracts</b>	<p>As per Launch Calendar</p>
<b>Price Band</b>	<p>Daily price fluctuation limit is (+/-) 3%. If the trade hits the prescribed daily price limit there will be a cooling off period for 15 minutes. Trade will be allowed during this cooling off period within the price band. Thereafter the price band would be raised by another (+/-) 1% and trade will be resumed. If the price hits the revised price band (+/-) 4% again during the day, trade will only be allowed within the revised price band. No trade/order shall be permitted during the day beyond the revised limit of (+/-)4%</p>
<b>Position Limits</b>	<p>Limit for aggregate contracts traded on all the Exchanges – applicable for all the contracts together for Grade-M and Grade-S both including position in expiry month:</p> <p>Client-wise: 20,000 MT  Member-wise: 1,00,000 MT OR 15% of the market wide open interest, whichever is higher</p> <p>The above limits will not apply to bona fide hedgers. For bona fide hedgers, the Exchange will, on a case to case basis, decide the hedge limits. Please refer to Circular No. NCDEX/TRADING-100/2005/219 dated October 20, 2005.</p>



	<b>Near Month Limits</b> The following limits would be applicable for one month prior to the expiry of a contract Client-wise: 8,000 MT Member-wise: 40,000 MT or 15% of the market-wide open interest, whichever is higher
<b>Special Margin</b>	Special margin of 10% of the value of the contract, Whenever the rise and fall in price exceeds 20% from the first day's closing price, is payable by buyer or seller, depending upon whether price rise or fall as the case may be. The margin shall stay in force so long as price stays beyond 20% limit and will be withdrawn as soon as the price is within 20% band
<b>Premium/Discount</b>	S grade sugar with ICUMSA less than 100 could be accepted as good delivery but with no premium. Sugar S with ICUMSA more than 150 shall be rejected. M grade sugar with ICUMSA 100 – 150 could be accepted as good delivery but with no premium. Sugar with ICUMSA more than 200 shall be rejected.
<b>Maximum Order Size</b>	500MT

#### Tolerance Limit for Sugar-M

Commodity Specifications	Basis	Acceptable quality range as per contract specification	Permissible Tolerance
Moisture	0.08% Max	-	-
Polarisation	99.80% Min	-	-
ICUMSA	> or = 150 ICUMSA and < 200 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book	Sugar with ICUMSA between 100 and 150 also accepted as good delivery	+/- 25 ICUMSA

Grade	M	-	-
Grain Size	Medium as determined by the methods prescribed in IS:498-2003	-	-

### Tolerance Limit for Sugar-S

Commodity Specifications	Basis	Acceptable quality range as per contract specification	Permissible Tolerance
Moisture	0.08% Max	-	-
Polarisation	99.80% Min	-	-
ICUMSA	> or = 100 ICUMSA and < 150 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book	Sugar with ICUMSA less than 100 is acceptable as good delivery	+/- 25 ICUMSA
Grade	S	-	-
Grain Size	Small as determined by the methods prescribed in IS:498-2003	-	-

**Note:** Tolerance limit is applicable only for outbound deliveries. Variation in quality parameters within the prescribed tolerance limit as above will be treated as good delivery when members/clients lift the materials from warehouse. These permissible variations shall be based on the parameters found as per the immediate preceding test certificate given by NCDEX approved assayer.

**Contract Launch Calendar Sugar M**

<b>Contract Launch Month</b>	<b>Contract Expiry Month</b>
July 2011	October 2011
August 2011	November 2011
September 2011	December 2011

**Modified Contract specification of Sugar – S futures contract (Applicable for contracts expiring in October 2011 and thereafter)**

<b>Type of Contract</b>	Futures Contract	
<b>Name of commodity</b>	Sugar (S Grade)	
<b>Ticker Symbol</b>	SUGARS150	
<b>Trading System</b>	NCDEX Trading System	
<b>Basis</b>	Ex-warehouse Kolhapur inclusive of all taxes	
<b>Unit of Trading</b>	10 MT	
<b>Delivery Unit</b>	10 MT net basis packed in 50 Kgs new A Twill Bags/PP bags Also deliverable in 100 Kg new A Twill jute bags	
<b>Quotation/Base Value</b>	Rs/quintal	
<b>Tick Size</b>	Re 1	
<b>Quality Specification</b>	Sugar in crystal form manufactured by vacuum pan method with:	
	Moisture	0.08%Max
	Polarisation	99.80% Min
	ICUMSA	> or = 100 ICUMSA and < 150 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book
	Grade	S
	Grain Size	Small as determined by the methods prescribed in IS:498-2003
	Crop Year Reference	Till December expiry contract: Production of the last crushing season is allowed in addition to current crop From January expiry contract: Production of only current crushing season is allowed.
<b>Quantity Variation</b>	+/- 5%	
<b>Delivery Center</b>	Kolhapur (up to 50 km from city limits)	
<b>Additional delivery centers</b>	<b>Belgaum, Delhi, Kolkata, Pune, Sangli and Solapur (Within a radius of 50 km from the municipal limits ) Location Premium/Discount as notified by the Exchange from time to time</b>	

<b>Hours of Trading</b>	As per directions of the Forward Markets Commission from time to time, currently- Mondays through Fridays: 10:00 AM to 5:00 PM  Saturdays: 10.00 AM to 2.00 PM The Exchange may vary the above timing with due Notice
<b>Due Date/Expiry Date</b>	20 <sup>th</sup> day of the delivery month  If 20th happens to be a non -trading day, a Saturday or a Sunday then the due date shall be the immediately preceding trading day of the Exchange
<b>Delivery Specification</b>	Compulsory delivery: Upon expiry of the contracts, all open positions will be settled by taking or giving delivery as the case may be.
<b>Closing of Contract</b>	Upon Expiry of the contract all the outstanding open positions would result in compulsory delivery. The penalty structure for failure to meet delivery obligations will be as per circular no. NCDEX/TRADING-086/2008/216 dated September 16, 2008.
<b>Final settlement price</b>	The Final Settlement Price (FSP) shall be arrived at by taking the simple average of the last polled spot prices of the last three trading days viz., E0 (expiry day), E-1 and E-2. In the event of the spot prices for any one of the E-1 and E-2 is not available, the spot price of E-3 would be used for arriving at the average. In case the spot prices are not available for both E-1 and E-2, then the average of E0 and E-3 (two days) would be taken. If all the three days' prices viz., E-1, E-2 and E-3 are not available, then only one day's price viz., E0 will be taken as the FSP.
<b>Opening of Contracts</b>	Trading in new contract will open on the 10 <sup>th</sup> day of the month in which near month contract is due to expire. If the 10 <sup>th</sup> day happens to be a non-trading day, contracts would open on the next trading day
<b>No. of active contracts</b>	As per Launch Calendar
<b>Price Band</b>	Daily price fluctuation limit is (+/-) 3%. If the trade hits the prescribed daily price limit there will be a cooling off period for 15 minutes. Trade will be allowed during this cooling off period within the price band.

	<p>Thereafter the price band would be raised by another (+/-) 1% and trade will be resumed. If the price hits the revised price band (+/-) 4% again during the day, trade will only be allowed within the revised price band. No trade/order shall be permitted during the day beyond the revised limit of (+/-)4%</p>
<b>Position Limits</b>	<p>Limit for aggregate contracts traded on all the Exchanges – applicable for all the contracts together for Grade-M and Grade-S both including position in expiry month:</p> <p>Client-wise: 20,000 MT Member-wise: 1,00,000 MT OR 15% of the market wide open interest, whichever is higher</p> <p>The above limits will not apply to bona fide hedgers. For bona fide hedgers, the Exchange will, on a case to case basis, decide the hedge limits. Please refer to Circular No. NCDEX/TRADING-100/2005/219 dated October 20, 2005.</p> <p><b>Near Month Limits</b></p> <p>The following limits would be applicable for one month prior to the expiry of a contract</p> <p>Client-wise: 8,000 MT Member-wise: 40,000 MT or 15% of the market-wide open interest, whichever is higher</p>
<b>Special Margin</b>	<p>Special margin of 10% of the value of the contract, Whenever the rise and fall in price exceeds 20% from the first day's closing price, is payable by buyer or seller, depending upon whether price rises or falls as the case may be. The margin shall stay in force so long as price stays beyond 20% limit and will be withdrawn as soon as the price is within 20% band.</p>
<b>Premium/Discount</b>	<p>S grade sugar with ICUMSA less than 100 is also accepted as good delivery but with no premium.</p> <p>Sugar with ICUMSA more than 150 shall be rejected.</p>
<b>Maximum Order Size</b>	500 MT

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**Tolerance Limit for Sugar-S**

<b>Commodity Specifications</b>	<b>Basis</b>	<b>Acceptable quality range as per contract specification</b>	<b>Permissible Tolerance</b>
Moisture	0.08% Max	-	-
Polarisation	99.80% Min	-	-
ICUMSA	> or = 100 ICUMSA and < 150 ICUMSA as determined by GS9/1/2/3-8 prescribed in Sugar Analysis ICUMSA Method Book	Sugar with ICUMSA less than 100 is acceptable as good delivery	+/- 25 ICUMSA
Grade	S	-	-
Grain Size	Small as determined by the methods prescribed in IS:498-2003	-	-

**Note:** Tolerance limit is applicable only for outbound deliveries. Variation in quality parameters within the prescribed tolerance limit as above will be treated as good delivery when members/clients lift the materials from warehouse. These permissible variations shall be based on the parameters found as per the immediate preceding test certificate given by NCDEX approved assayer.

**Contract Launch Calendar Sugar S**

<b>Contract Launch Month</b>	<b>Contract Expiry Month</b>
July 2011	October 2011
August 2011	November 2011
September 2011	December 2011

**Annexure IV****Premium/Discount for Contract expiring in October 2011:****PREMIUM/DISCOUNT FOR GRADE DIFFERENCE**

<b>Sugar M Grade</b>		
<b>Base Grade</b>	<b>Additional Grade</b>	<b>P/D Applicable to additional grade</b>
Sugar M Grade	Sugar S Grade	- ₹ 55/Quintal

**PREMIUM/DISCOUNT FOR DELIVERY LOCATION DIFFERENCE**

<b>Sugar M Grade (Kolhapur)</b>	Belgaum	No Premium/Discount
	Delhi	No Premium/Discount
	Kolkata	No Premium/Discount
	Pune	No Premium/Discount
	Sangli	No Premium/Discount
	Solapur	No Premium/Discount

<b>Sugar S Grade (Kolhapur)</b>	Belgaum	No Premium/Discount
	Delhi	No Premium/Discount
	Kolkata	No Premium/Discount
	Pune	No Premium/Discount
	Sangli	No Premium/Discount
	Solapur	No Premium/Discount